

To: Mayor and City Council
Cc: John Szerlag, City Manager
Lori Grigg Bluhm, City Attorney

From: Robin Beltramini, Council Member

Subject: National League of Cities Congressional Cities Conference
Washington D.C.; March 8-12, 2002

Date: March 30, 2002

This was so very interesting. To hear first-hand from public officials, to have had an opportunity to make our voice heard in terms of policy and U.S. budget decisions, and to learn details of pending legislation that may impact local control of some assets was kind of amazing. The following is a chronological summary which will supplement the hand-outs I distributed right after I returned, and the *Nation's Cities Weekly* articles you have all read.

March 10, 2002

OPENING GENERAL SESSION:

Anthony Williams, Mayor of Washington D.C., welcomed us to his city and shared some public safety ideas and concerns. Through the attack on the Pentagon and the subsequent threats to national landmarks within the District, the MetroPD learned some valuable lessons.

- Even in the nation's capital, all first responders are *local*
- Early and frequent information to the citizenry is critical
 - Here the mayor shared the *Family Preparedness Guide* (Part of the earlier distribution)
- All emergency system functions must be coordinated across jurisdictions
 - In this case, the command center needed to include reps of all federal agencies, surrounding counties and community departments of public safety—all as partners, not subordinate.
 - Regional council of governments can be used to facilitate expansion of plans.

Karen Anderson, President, National League of Cities and Mayor of Minnetonka MN, shared the vision of the NLC Board of Directors in these challenging times. (Complete outline part of earlier distribution) It has become an anthem, and a lament, cities and towns are "the front line, the first responders—in all things." Homeland Security really means "Hometown Security." To this end, the NLC board has established six priorities:

- Partnership with the federal government on homeland security
 - Direct disbursement of federal funds to locals

- Communities must be empowered to decide how to secure our own cities. No one knows our community better than we do. The last six months has been, in fact, national security by local forces.
- Protecting critical programs which assist cities
 - Community Development Block Grant Funds
 - Local law
 - COPS program
 - Transportation revenues
 - Housing initiatives
 - Water infrastructure
- Racial justice and equality
 - An end to racial profiling
 - Consistent prosecution of hate crimes
 - End to selective lending practices
- Investing in America's children
 - Continued funding for: prenatal care, preschool and child care, temporary assistance to needy families.
 - If funds are cut now, the expense later to fix imbedded problems and attitudes will be significantly increased.
- Protecting local revenue and tax authority
 - Sales tax distributions are being "rethought"
 - ROW control could be eroded
- Balancing international trade authority with local impacts and authority
 - "takings" is an issue as it relates to international trade (see memo from Dec. conference)
 - Federal authority fast-tracked over local control of pertinent issues

Chris Matthews, host of CNBC and MSNBC *Hardball*, shared some entertaining "truisms" since September 11, 2001. The five major changes he sees are:

- Service is back. Firemen and policemen have gone from "chumps" to heroes. Service, not money, has become the value.
- "Charisma" is out as a leadership value. Authenticity is in. We want facts, not spin.
- We have a clearer picture, as a society, of "jobs that matter" and jobs that matter, not quite so much. Again, first responders matter. Politicians are not nearly as important.
- There is a renewed sense of community. Fewer people ride an elevator silently. Every opportunity is being used to make sure that every chance for "connection" is taken.
- Nobody wants to hear partisan politics. What's important is "us," not your party or mine.

AFTERNOON GENERAL SESSION

Bill Frist U.S. Senator (R-Tennessee) gave us some medical insight into bioterrorism and the state of the public health mechanism in the U.S. Senator Frist is the only physician currently serving in the U.S. Senate.

To the question, "Bioterrorism, are we prepared?" some thoughts:

- Only one of five hospitals has a bioterrorism plan
 - No physician is trained to recognize anthrax in humans
 - Smallpox was eradicated by 1977. Only since Sept. have M.D.s been trained to recognize its symptoms.
- The risk is real
 - The U.S. sender of anthrax is still loose
 - 11-17 countries have active bioweapons programs
- This is the weapon of choice
 - Rapid technology improvement for delivery
 - Genetic engineering allows refinement for resistance to vaccine and additional power
 - Can't see it, hear it, or smell it
 - Perpetrator not seen because detection takes development time

Conclusion is that the U.S. is underprepared in the area of public health. The following are "bare bones" minimums for credible preparedness:

- Nationwide framework of prevention AND preparedness
- Establishment of Public Health Emergency Fund
- Increased training for health professionals
- Incentives for research and development
- Coordination and accountability measures
- Enhanced funding—2002=\$500 million; 2002=\$3 billion; 2003=%5.4—but it must filter down to the local and state level where the "real battle" is fought
- Enhanced food and agriculture safety
- Increased regulation of biochemical agents and toxins
- Better education on "epidemic" diseases
- Development of integrated response models—medical; law enforcement; public health; and emergency management
- Fill the gaps in the public health infrastructure
- Greater use of public/private partnerships

Additional information is available in the Senator's book, *When Every Moment Counts*.

General Richard B. Myers, Chairman, Joint Chiefs of Staff, gave a "military-centric" overview of the war on terrorism, in which he stated that winning this war is the ultimate goal. In order to achieve that goal, the U.S. and its allies will continue to disrupt and destroy terrorist organizations, eliminate safe havens, and try to control weapons of mass destruction.

The Joint Interagency Task Force has proven to be an effective management tool. It includes representation of the military services, FBI, CIA, diplomatic corps. The primary function is intelligence appraisal and management.

This will be a long, ever-changing process. The National Guard has been an effective interim security force, but we must now move toward permanent measure. The U.S. is taking the “best defense is a good offense” attitude in crafting this war. Also, the Department of Defense Website has information regarding citizens’ activities to defend the U.S.A. (www.DefendAmerica.mil or www.DefendAmerica.gov)

AFTERNOON BREAK-OUT SESSION

Managing your Public Rights-of-Way: Your Way or the Highway?

Seminar speakers included: Libby Beaty, Executive Director, national Association of Telecommunication, Officers and Advisors, Washington D.C.; Nicholas P. Miller, Partner, Miller and Van Eaton, Washington D.C.; and Martin Stern, Partner, Preston Gates, Washington D.C.

Libby Beaty: In addition to distributing copies of the newly published *Local Officials Guide for Telecommunication and Rights-of-Way*, Ms. Beaty discussed some key points in managing ROW in today’s litigious society. First, this guide is not a BMP guide. It is educational in nature. Local government must protect and manage ROW. Competition is good, but ROW cannot always accommodate every request. Local officials must be educated and informed so that community government is not perceived as an impediment to telecommunication implementation. (I will be happy to lend my copy of this document.)

Martin Stern: As an attorney for telecommunications companies, he made the point that most jurisdictions are not difficult to work with, however, he stressed some key points, from an industry perspective. Access to ROW is critical to broadband deployment. Telecommunication networks are key infrastructure components and need diverse and redundant routing. Easement use agreements are an effective ROW management tool. Particular difficulty comes with multiple ROW holders—permitting and approvals become cumbersome.

The discussion of ROW management vs. leverage was explored. Stern believes that government has a critical role in managing time, place and manner of deployment (ROW management). These management needs allow governments to hold great leverage over providers, particularly as related to fees (market-based &/or in kind payments), and allow the introduction of unrelated issues (items not part of the “pre-permit” discussions, but brought up later and permit withheld until capitulation). While Stern allows that ROW management and fees and fees are reasonable roles for local government, he cites a necessity for fairness and reasonableness and is particularly happy with Michigan’s pro-access laws on a state level.

Nicholas Miller: There was much discussion of the investment of state and local governments in the improvement of ROW. (\$1.3 trillion, to date, NOT including the cost of the land). With each trenching, the life of current investment (concrete, etc.) decreases by 25-30%. Still, the current total value of these ROW is \$7-10 trillion. This is the single biggest reason for industry not wanting a value-based use fee. Interesting to note that Ameritech just settled a lawsuit with “railside” property owners. The settlement includes Ameritech agreeing to a \$100,000 per mile use fee. The bill

before the U.S. Congress right now is watered to 1CENT per mile. Michigan recently passed a bill with the fee set at 5 cents per linear foot (\$264 per mile). The cost to local governments is exponential from things like water mains being under communication wires. Delays cause increased personnel costs, equipment costs, and wear and tear costs to roads and services.

Points made during open mike Q & A: Cable television companies typically pay a 5% franchise fee while shopping center fees hover near 15%. So, franchise fees can be charged, and must be reasonable. The Michigan law (pro-access at 5 cents a foot) is based on the “free market” idea that giving away ROW access will increase deployment. This is not a proven notion for this industry. However, the industry is fighting a percentage-based franchise fee on the grounds that it would be a tax. Additionally, ROW, unlike parks, are designated for commerce. Access is necessary to build efficient networks. The counter to the fee/tax argument is that water and power companies are charged and in lieu of tax fee and broadband providers could be handled the same way. In an effort to avoid some of this argument, the City of San Francisco charges all ROW users a pavement degradation fee. This includes everything from construction staging to outdoor dining and fresh air produce markets.

MICHIGAN MUNICIPAL LEAGUE RECEPTION: A good opportunity for us to network with other Michigan officials present at the conference. Also, recognition was made to the state youth, since Michigan had the largest delegation of youth. There were many young people from Farmington Hills and Saline with several other communities having just one or two. It looked like all were using this as a great learning and networking opportunity.

March 11, 2002

MORNING GENERAL SESSION

Tom Daschle, Majority Leader, U.S. Senate (D-South Dakota) reviewed his perspective about the U.S.A. since September 11, 2001 (stronger, more united, and safer) and what needs to be done to prevent a repeat of those events:

- Local leaders and systems are the first line of defense. To that end, we cannot have one group make decisions regarding actions necessary, but have another group absorb the cost
- Need real coordination between federal and local agencies. The 25% matching requirement will have to be eliminated, or modified in some way, because it is the poorest communities which cannot meet the requirement, but need the most help
- Advocates \$10 billion for bioterrorism and funding to help communities and expand, not cut, programs such as Local Law Enforcement Block Grants and the COPS program

Some things that 9/11 did not change:

- Day to day economic need for roads
- Decrepit water delivery systems; state and federal revolving funds must be maintained to assist in renovation of these systems

- Need for good schools—budget cuts would leave the Kennedy-Bush education initiative as an unfunded or underfunded mandate

Roger Wilkins, award-winning journalist, shared his view of events (past, present, and future). He views this as a perilous, but patriotically rich moment in our nation's history. The 1990's brought the highest number of immigrants to the U.S. in our history. These people dispersed, rather than collected in historical, magnetic pockets. One in nine people in the U.S. is foreign born. One in four of every child living in poverty has foreign born parents. Mr. Wilkins used his time to advocate the education of the poorest in the community—not just the children. Education must go beyond the school walls. His summary remark was, "Can't leave no child behind if you systematically leave their parents behind."

Dianne Feinstein, U.S. Senator (D-California) and former mayor of the city of San Francisco, probably got the most support from the decidedly, community-loyal crowd. Senator Feinstein focused her remarks on the restoration of American cities. She cited that cities are where people go for hope, jobs, education culture, are and science. It is the place to find housing opportunities. The formula based programs are essential to funnel funds to cities. She encouraged a balancing of defense and city programs in the FY 2003 federal budget. As an example, the President's non-allocated \$10 billion contingency can and should be reallocated to the cities. If that \$10 billion becomes necessary for the war on terrorism, there is a budget adjustment mechanism to put the money into appropriate areas. In the meantime, Senator Feinstein sees four areas as potentials for the reallocation of that money:

- Law Enforcement—past eight years has had a 17% drop in the federal budget. FY 03 budget proposes law enforcement cuts by as much as 45%, which could put the gains of the past few years at risk
- Employment and job training—job training is more important the longer folks are on welfare, because of the back-loading of welfare to work programs
- Transportation—TEA 21 cuts \$9 billion in federal funding (27%) which could cause job losses, project delays or terminations. Infrastructure is "sagging and lagging" in efforts to reduce congestion.
- Homeland security funds—cities must be primary recipients of these funds, as first responders and because it is cities that have already spent millions of dollars on these unplanned, but necessary, activities

Mel Martinez, Secretary, U. S. Dept. of Housing and Urban Development gave a synopsis of changes in the FY 03 budget, as related to HUD and homelessness. First, the HUD budget is proposed to have a 7% increase in FY 03. Increased home ownership, quadrupling of the American Downpayment Fund (\$200 million of new money), tripling of the Self-Help Opportunity program; and allowing low income individuals to use up to the value of one year of their aid voucher for a down payment are some of the initiatives for focus in the coming year. HUD has streamlined the grants process for homeless support programs. CDBG program is slated for a \$4.4 billion increase. However, communities with an average income of twice the poverty level will have increased hurdles to receive the funds. (Since Troy falls into this category, if there

is a program with potential CDBG funding on the back burner, it would be to our advantage to move it to the front before the beginning of FY 03.)

Tom Ridge, U.S. Director, Homeland Security, unveiled a coordinated, universal warning system for risk of terrorist attacks (detailed the several publications to date) and his opinion of the President's funding for first responders. Of the \$3.5 billion proposed for first responder funding, Mr. Ridge sees 75% of that going to local government and 25% being retained, or allocated to the states. A distribution system for this is undecided and, no matter how forcefully the Administration makes the case for locals to get the money, there is skepticism on the part of cities that they will see a full 75%--and, in fact, we won't because that is 75% to cities AND counties and is based on whatever the statewide and federal "deployment" plan is. City, county, state and federal officials all recognize the need for a seamless, coordinated strategy. Funding is always a sticky issue. Mr. Ridge did make the point that local law enforcement needs better information from the feds regarding terrorist activities. Also, this heightened awareness, if not alert, should be viewed as a permanent condition. This war will take an extended period of time to fight and complete. (See a theme here???)

AFTERNOON BREAK-OUT SESSION

Water Infrastructure Financing

Seminar panelists included: Bryan Richardson, staff, U.S. Senate Committee on Environment and Public Work; Ben Grumbles, Deputy Asst. Administrator for Water, EPA; Richard Frandsen, Minority Counsel, U.S. House Committee on Energy and Commerce; and Susan Bodine, Majority Counsel, U.S. House Committee on Transportation and Infrastructure, Subcommittee on Water Resources and the Environment. The session was designed to discuss federal legislation that could address the \$1 trillion funding gap for needed water infrastructure.

General information: FY 2002 EPA had \$79.8 million to allocate for upgrades. There was an additional \$16.9 in grant money for small and medium sized systems. There is a need to satisfactorily address Davis-Bacon in funding, but the legislation so far has not addressed this regarding clean drinking water and unions are essential to the discussion. In FY 03 the EPA wants to incorporate clean water criteria; pass some responsibility to state revolving funds; encourage prioritization and planning as well as public/private partnerships. Additionally, EPA would like to see incentives for privatization asset management. But, none of this at the level of funding proposed in SB1961.

We are beginning to see a culture of a "federalism of water." There is a growing need to reward development and use of innovative technologies, particularly in the areas of security of systems and prevention of contamination. There is an advocacy for cost-based rates and conservation. Financing options include hardship clauses, provision, targeted grants. Cities will be rewarded first, as they know the BMPs for this.

Open mike, Q & A:

Comment from Joe Moore, Chicago Alderman: Don't place so many mandates on this that needy communities are discouraged from applying for fund. Most have already put

long-term plans in place. These mandates for privatization, like trade agreements, is a bad example for community's ability to govern itself.

From Buffalo MN: Where do collection systems fit into these bills? It's not about just waste-water treatment. Need to address non-point sources, run-offs, fertilizer. Push for privatization creates direct competition with cities, safeguards to "belly up"

Ans: Public/private partnerships are only one side of the rubric. This is pretty contentious, but the bills seek efficiencies of available funds.

Hamlett NC: Does SB 1961 have set asides for small communities who can't raise revenues and are sole providers?

Ans: We tried to give great flexibility to the SRF with ability to give up to 30% of their funding to such systems, but no set asides.

Avondale AZ: Is there discussion regarding distribution formula to the states to allow for population growth?

Ans: Plan to use "need formula" of Clean Water Act

Iowa City IA: Is there a "retro perspective" for funding? We were mandated to upgrade. We bonded \$19 million? Can we get any of that back through these bills?

Ans: Your SRF can buy your bonds. Clearly, all communities will have to raise rates.

SB 1061 allows SRF to also pay the cost of bonding.

Longview WA: Our run-off ditches have been classified as "Class A Waterways." We can't possibly clean these ditches because of iron in the ground "polluting" these "waterways."

Ans: Regional EPA office typically holds all the cards for reclassifications of such situations. States set water quality standards and uses. WA could change these uses. (In this case, from a streamway back to stormwater ditch) Then, EPA would approve the change.

Comment from Mayor, New Brunswick CT: We have local plans. Today, I'm wondering what the federal government thinks we do every day in city hall! This is a local decision. Who are you to judge our plan? All we need from Washington is readable legislation and the money. We did our job. Now, you do yours.

Hardly good dialogue, but we particularly know the frustration of being a donor city in a donor county of a donor state, decent average income in the city, and good BMPs—not the kind of thing that is always rewarded in a tight economy.

AFTERNOON GENERAL SESSION

Christine Todd Whitman, EPA Administrator, shared several areas of focus for her agency. First, however, she shared an overriding philosophy of her administration, "to leave air cleaner, water purer and land better protected, that when she started." To this end the EPA will stress partnerships between local, state, and federal governments and private investors in dealing with environmental issues. All stakeholders will be involved.

Watershed management is a growing EPA program. Because causes of non-point source pollution is spread, solutions must be spread as well. Therefore, \$21 million is proposed for FY 03 to target 20 watersheds across the USA. This compliments the 319 Program for non point source grants. EPA will support with technical and financial input.

Water infrastructure and security is another area. EPA believes that the best vehicle is the state revolving fund. Historically, the state revolving fund has produced

four times the result of comparable direct grants. The cost of efficient use must be reduced. The power of the private sector is untapped, so far, both for financial and technical support—affordable borrowing rates, good services, and watershed approach including conservation and re-use.

The Clear Skies Act of 2002 was designed as a flexible, market based system to reduce sulfur dioxide, nitrogen dioxide, and mercury. Environmental results seem to be guaranteed. The act gives utilities flexibility in how they reach the target—modeled on the acid rain program. This could mean a 70% reduction over the next 10 years.

Brownfield redevelopments have proven that public/private partnerships work. Every government dollar leverages \$2.50 in private investment. EPA is working with Habitat for Humanity and U.S. Soccer Foundation to see what brownfields could be converted for these uses. This is a smart growth idea because the infrastructure is already in place. The EPA has established an award for communities, and individuals, for success in smart growth through brownfield redevelopment.

March 12, 2002

I spent the first part of the morning networking with other Michigan officials as we stressed our priorities to Senator Debbie Stabenow. Here is a summary of the Q & A we had with her:

Bob Slattery, Mayor, Mt Morris, Pres. MML: Cuts for surface transportation have a great impact on each of our cities. The pie is already too small.

DS: We are working on restoring the \$4.5 billion cut. The pie is shrinking because of the tax cut and the security funding. MI has not done well under supply side economic system; don't want it brought back. I support business tax cuts in the stimulus bill.

Tom Barwin, City Mgr., Ferndale: SEMCOG transportation plan needs \$1 million per corridor=\$12 million total, to even analyze the plan. Can we get any of this funding through the 3cent for public transportation in the gas tax?

Alicia Smilde, Mayor Pro Tem, Saline: Homeland security money won't trickle down to cities. A direct payment formula needs to be set up.

Mayor, Walled Lake: TEA 21 needs to include the continuation of the local decision-making model.

Youth delegate, Saline: Will there be 5-year funding for youth programs in the Younger Americans Act?

DS: Yes. I support that kind of issue. Balance like this in the budget will be difficult to achieve.

Clara Shepard, Councilwoman, Muskegon: CDBG cuts will hurt our redevelopment of the lakefront. Surrounding neighborhoods need upgrading. Some brownfield-type areas in these neighborhoods need residential incentives.

DS: That CDBG cut of \$30 million needs to be restored. The non-allocated contingency defense spending needs to be reallocated to just such areas.

Seth Chafetz, Commissioner, Birmingham: The RLUIP, faith based initiative gives these groups separate rights. Cities can be sued by these groups and/or the ACLU.

We need to tweak 501c3 system for funding, training, tax incentives for a broader umbrella.

Ypsilanti, Mayor Pro Tem: The \$10 billion defense contingency should be put into cities.

DS: we all support the current war and fighting of bioterrorism but 70% of defense spending has nothing to do with those issues.

Dave Linnett, Councilman, Ferndale: We could lose COPS grant. What alternatives do we have?

DS: Senator Biden proposes additional flexibility for overtime instead of “bodies”

Gretchen Driskell, Mayor, Saline: Further emphasis on the surface transportation funding needs. We have a great need for public transportation funding in our area.

While some funding is tied to existing rail, that doesn’t help cities that need rail, but can’t raise those revenues. We also have a need for water quality infrastructure reinvestment.

DS: We must find a way for timely maintenance funding. I understand the need to look at road funding.

Ed Kouzma, Councilman, Ypsilanti: SB1961 shows some funding for water projects.

However, it is also important that the LLEBG not be zeroed out. Cities need stuff other than security. All security IS local. Give us the funds for local tools.

DS: Cities need to package homeland security issues in all these bills to “sell” funding/programs for cities.

Tom Barwin: Is there any voting machine funding?

DS: Senate bill includes some money. House bill passed, but incomplete in funding and checks.

Ypsilanti: Please include reimbursement formula for proactive communities.

After a brief meeting, Senator Stabenow had to leave for a Budget Committee meeting. So, I spent the remainder of my time with her “transportation” staff member. I felt that it was absolutely critical that Senator Stabenow understand that Troy had TEN road projects, nine scheduled in the construction phase, that would be directly impacted by any reduction in the TEA 21 funding. Given our location and situation in the SE Michigan marketplace, this could have a severe negative impact for much of the area beyond Troy. Since I know that much of the MI delegation was “singing the same tune,” I made the case as best I could, with a parochial emphasis, but mention of our regional position and impact.

Since there was not time for all council members to comment at the last council meeting, I did not have an opportunity to let everyone know that Senator Stabenow shared with us that mail is still being eradiated. Therefore, all envelopes and packages are delayed 4-6 weeks. If you want to communicate with your officials in Washington, it is best to do it by fax or email.

Overall, it was a positive experience. Thanks for the opportunity!

REB